

# DOCKET SECTION

BEFORE THE  
POSTAL RATE COMMISSION RECEIVED  
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Postal Rate and Fee Changes, 1997 )  
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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

Docket No. R97-1

## INTERROGATORIES OF NATIONAL NEWSPAPER ASSOCIATION TO UNITED STATES POSTAL SERVICE WITH REGARD TO LIBRARY REFERENCE H-89

The National Newspaper Association ("NNA") pursuant to Presiding Officer's Ruling Granting the National Newspaper Association Motion for Admission of Library Reference Into Evidence, Ruling No. R97-1/56 (Nov. 5, 1997), hereby submits the following interrogatories.

Please assume for the following questions that the phrase "second-class" is used interchangeably with the word "periodicals."

1. Please confirm that 38% of In-County mail volumes are estimated using a panel of non-automated offices, as described in Library Reference H-89, page 8, paragraph B. If you do not confirm, please explain.
2. Please confirm that within the panel of non-automated offices, the Postal Service collects volume data from mailers' statements through a census of those particular offices. If you do not confirm, please explain.
3. If your answer to question 2 is yes, please explain any differences between the data collected from mailers' statements through PERMIT and from mailers statements at the panel offices.

4. Please examine the Postal Service's response to NNA/USPS T1-10 and T1-14. Do these responses mean that 92 offices were drawn to constitute a panel representing 5,902 offices, 6,103 offices or neither? Please explain your response.
5. Please confirm that the panel of 92 offices led to the result cited in NNA/USPS T1-8-b. If you do not confirm, please explain how that result was obtained and provide workpapers to support your response.
6. Please explain how the 92 offices referred to in question 4 were selected for the panel and provide a breakdown of those offices by CAG.
7. Please confirm that no sampling of mailpieces is drawn in any way for purposes of compiling In-County mail volumes. If you do not confirm, please explain.
8. Please refer to LR-H-89, page 8, part B, "Sample Design," which states that "[f]or publishers' second-class all offices automated through the PERMIT system are included in one certainty stratum. The remaining offices are stratified into either In-County revenue intensive strata or other strata based on their total second-class revenue."
  - a. Please confirm that this means that (i) 100 percent of offices where the acceptance of In-County second-class mail has been automated through the PERMIT system are placed in a single stratum for sampling purposes, (ii) 100 percent of such offices are sampled with certainty in each AP and (iii) at all such offices, 100 percent of In-County second-class mail is sampled in each AP.
  - b. If any element of subpart a. is not confirmed, please explain fully and provide a correction.

- c. Please confirm that (i) 100 percent of the offices that are not included in the aforementioned single certainty stratum of offices automated through the PERMIT system are offices where the acceptance of In-County second-class mail has *not* been automated through the PERMIT system, (ii) these offices are further subdivided into exactly two additional categories, namely an "In-County revenue intensive" category an "other" category and (iii) the criterion or criteria used to subdivide the non-automated offices is based solely on the second-class revenue at each individual office.
- d. If any element of subpart c. is not confirmed, please explain fully and provide a correction.
- e. The passage cited above indicates that the non-automated offices referenced in subpart c. are subdivided into "either In-County revenue intensive *strata* or other *strata*" [emphasis added] based on their total second-class revenue, implying that there are multiple groupings within each subdivision. Please enumerate all such strata within each subdivision, indicating the number of offices belonging in each, and the precise criterion or criteria, that determines the stratum to which each office belongs. If any other criteria besides total second-class revenue at the individual office is used, please describe the criteria fully, as well.
- f. Is the division of the remaining offices referenced in subparts c. and e. used for any purpose other than to estimate In-County volumes? If so, please describe all other purposes for which this stratification is performed.

- g. Please refer to Witness Pafford's response to NNA/USPS T1-10, part d. Of the 201 offices comprising the population of "other strata" referenced therein, how many were sampled for FY 1996?
9. Please refer to LR-H-89 , subpart C.1: "Sample Selection Methodology," which states that "the method of selecting sampling units (offices) for noncertainty strata for publishers' second-class ... was random initially."
- a. Should this statement be taken to mean that, at the time the panel was initially drawn, the Postal Service believed the non-certainty portion of the panel was a representative probability sample of the universe of all In-County second-class mail entered at non-automated offices?
- b. Please state the approximate time period when this sample was designed and list any and all time periods subsequent to that date when the design of the sample has been reviewed, altered or confirmed in its design.
- c. If the answer to subpart a. is affirmative, does the Postal Service believe that this portion of the panel is still representative? If so, please explain fully the basis for this belief; if not, please explain why it is still being used.
- d. If the answer to subpart a. is negative, please provide a correct interpretation of the referenced statement.
- e. Please state any and all changes that may have been made in this sample design or the designation of offices comprising the sample as a result of errors discovered as a result of preparation for or litigation of R94-1 or in preparation for R97-1.

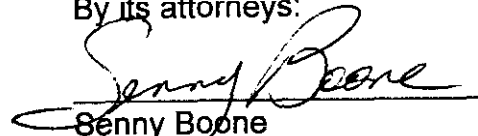
- f. Please state whether any of the offices in the sample have been removed since the design of the sample because (i) they have been converted to the PERMIT system or (ii) they have been closed.
  - g. If any offices are cited in response to subpart e. above, please explain how those offices are replaced in the sample. If they are not replaced, please explain why.
- 10. Please refer to the response of Witness Pafford to NNA/USPS-T1-15 (Tr.9/4361) where he states that "[t]he C.V. [of the estimated volume of in-County second-class mail] is not computed since it is not clear how the set of sample offices used for the base year PQ I-III period were originally selected prior to FY 1989." Please evaluate this response in light of your response to question 9 and explain the apparent contradiction with the portion of Library Reference LR-H-89 cited in question 9.
- 11. In order to allow the parties and the Commission to evaluate the precision of your volume estimates for In-County second-class mail entered in Post Offices where such entry is not automated through the PERMIT system, please provide:
  - a. upper and lower 95 percent confidence limits about these volume estimates for In-County second-class mail entered in offices in the In-County revenue intensive strata and for In-County second-class mail entered in offices in the other strata;
  - b. the data underlying your calculation of each of the two confidence intervals, in an electronic spreadsheet form;
  - c. the formula or formulae used in the calculations; and

- d. a description of all statistical assumptions upon which these intervals rely.
12. If there is some reason why it is not possible to compute a classical confidence interval in response to question 11, please fully explain the reason(s), and use the jackknife variance formula provided on page 6 of the LR-H-89 or, alternatively, another appropriate statistic that would allow the parties to evaluate the efficiency of your estimates.
13. Please refer to the Quality Assurance section on page 10 of LR-H-89. Please provide a plain English explanation of the "mainframe computer edits which examine sample data for completeness and consistency." Please also provide the computer code.
14. Please refer to the response of Witness Pafford to NNA's questions regarding the reasons why some post offices are not automated. (Tr. 9/4382, lines 15-25).
- a. Please provide an explanation why 5,902 offices in the "In-County intensive strata" and the 201 offices in the "other strata" category are not automated.
  - b. Please state whether the Postal Service intends to automate each of these offices and, if so, the approximate schedule for conversion to automation. If the Postal Service does not intend to automate these offices within the next three years, please state any and all plans for revision of the strata or sampling systems to be used for calculating In-County volumes.
  - c. Please confirm that these offices tend to be smaller and more rural than the PERMIT offices in the system. If you do not confirm, please explain.

Respectfully submitted,

National Newspaper Association

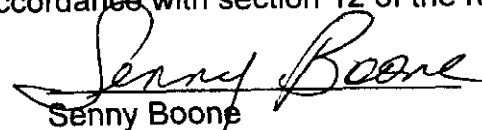
By its attorneys:

  
Senny Boone  
Tonda Rush

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.

Date: November 12, 1997

  
Senny Boone